

08-23-2000



101439998

MJP
7.26.00

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger Effective Date
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

08/22/2000 MTHA11 00000203 75523458

FOR OFFICE USE ONLY

01 FC:48 40.00 OP
02 FC:48 25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002123 FRAME: 0627

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75 523 458"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1 593 302"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Janet A. Stiven

Janet A. Stiven

May 31, 2000

Name of Person Signing

Signature

Date Signed

TRADEMARK SECURITY AGREEMENT (U.S. REGISTRY)

This Trademark Security Agreement ("Security Agreement") is entered into by and between HANDY BUTTON MACHINE CO., a Delaware corporation ("Pledgor"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association ("Bank"), in connection with the Credit Agreement (as hereinafter defined). Capitalized terms used in this Trademark Security Agreement but not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement and any related Security Agreement.

WHEREAS, the Bank intends to extend certain financial accommodations to Pledgor pursuant to a certain Credit Agreement between the Bank and Pledgor dated as of even date herewith, as it may be amended from time to time (the "Credit Agreement"); and

WHEREAS, in connection with the extension of such financial accommodations pursuant to the Credit Agreement, the Bank is desirous of acquiring a security interest in Pledgor's Trademark Rights as defined below, subject to the terms and conditions set forth below;

WHEREAS, the Pledgor represents that it now possesses the sole and complete ownership rights to the Trademark Rights to be secured by this Trademark Security Agreement and that it has not granted a security interest or otherwise pledged, managed, transferred, assigned or licensed any part of its rights in said Trademark Rights to any party other than the Bank.

NOW, THEREFORE, in order to induce the Bank to consummate the financial accommodations provided for in the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor does hereby agree with Bank as follows:

Section 1.01. Grant of Security Interest. Pledgor hereby grants a first priority security interest to Bank, as agent, its successors and assigns, in the entire right, title, and interest of Pledgor in and to the following "Trademark Rights":

All trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of the Pledgor, including but not limited to those set forth in Exhibit A and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor or licensee of said trademark ("Trademarks"), subject to termination only if: (i) all "Secured Obligations" (as defined in the Security Agreement) of Pledgor are satisfied and paid as and when due and (ii) there shall have been terminated all commitments of Bank to any party arising under the Credit Agreement; otherwise, the same shall remain in full force and effect, it being intended by Pledgor and Bank that the Trademark Rights shall serve as collateral security to Bank for the payment and performance of such "Secured Obligations" and, accordingly, that this instrument shall be subject to the terms of the Credit Agreement and all related security

agreements with respect to the "Collateral" (as defined in the Security Agreement), which terms are herein incorporated by reference and made a part hereof.

Notwithstanding the foregoing, unless and until Bank exercises the rights and remedies accorded to it under the Credit Agreement and by law with respect to the realization upon its security interest in the Trademark Rights, Pledgor shall continue to own, and may use and enjoy, the Trademark Rights in connection with its business operations, but only in a manner consistent with the preservation of their current substance, validity, registration and the collateral assignment herein contained.

Section 2.01. No Liens, etc. The Pledgor agrees that it will not, without the prior written consent of the Bank, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Bank in said Trademarks or take any other acts which are contrary to or inconsistent with the rights granted to the Bank in this Trademark Security Agreement and will not cease the use of any Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Trademark registrations covered by this Trademark Security Agreement without the prior written agreement of the Bank.

Section 3.01. Pledgor's Obligation to Maintain and Enforce Rights. The Pledgor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Bank:

(1) To take all actions necessary to properly maintain and renew all registrations for Trademarks which are or may become subject to the Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations for Trademarks (including the filing of a declaration of incontestability under §15 of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law.

(2) To file new applications to register and protect under applicable law all Trademarks acquired by the Pledgor but for which applications have not previously been filed or to take all other actions necessary to cause registrations for Trademarks to be issued as a result of said applications.

(3) To protect such Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement and to defend such Trademarks from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims.

Section 4.01. Reporting Requirements. Upon request of the Bank, the Pledgor agrees to provide written reports to the Bank informing it of the status of all Trademarks subject to this Trademark Security Agreement including any new trademark registrations, trademark applications or related licenses.

Section 5.01. After Acquired Property. If the Pledgor shall obtain rights to or become entitled to the benefit of any new trademarks, registered trademarks, trademark applications or licenses before its obligations to the Bank as set forth in this Trademark Security Agreement have been satisfied in full, the provisions of this Trademark Security Agreement shall automatically apply thereto and the Pledgor hereby authorizes the Bank to modify or update this Trademark Security Agreement accordingly.

Section 6.01. Events of Default. The failure by the Pledgor to perform any of the terms or conditions of this Trademark Security Agreement or the terms and conditions of the Credit Agreement shall constitute a material default. Upon the occurrence of such a default and upon the receipt by the Pledgor of appropriate written notice from the Bank, the Pledgor hereby authorizes and grants a power of attorney to the Bank to take any action as may be deemed to be necessary with respect to said Trademarks including but not limited to the assignment of all said Trademarks from the Pledgor to the Bank. This right may be exercised in addition to any other rights and remedies which may be available under applicable law.

Section 7.01. Interpretation. This Trademark Security Agreement is subject to the terms and conditions of the Credit Agreement. Where any term in this Trademark Security Agreement may be inconsistent with any term in the Credit Agreement, the terms of the Credit Agreement shall control.

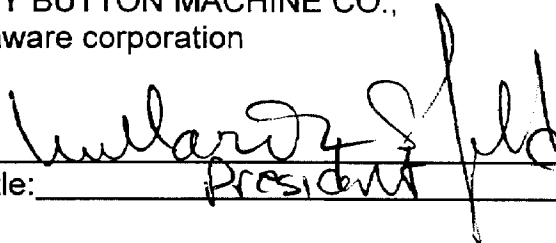
Section 8.01. No Waiver. The failure by the Bank to exercise any right under this Trademark Security Agreement shall not operate as a waiver thereof and shall not bar the Bank from continuing to exercise said rights in the future.

Section 9.01. Governing Law. This Trademark Security Agreement is to be governed by the law of the State of Illinois and is binding on the parties and their successors and assigns. The Pledgor may not assign nor transfer any part of its obligations under this Trademark Security Agreement either expressly or by operation of law without the written consent of the Bank.

Section 10.01. Severability. The terms of this Trademark Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

IN WITNESS WHEREOF, Pledgor has caused this document to be executed as of the 31st day of May, 2000.

HANDY BUTTON MACHINE CO.,
a Delaware corporation

By: 
Title: President

Address of Pledgor (Assignor):
Handy Button Machine Co.

1750 North 25th Avenue
Melrose Park, Illinois 60160
Attn: Willard L. Shonfeld

Address of Bank (Assignee):
135 South LaSalle Street
Chicago, Illinois 60603
Attention: Metropolitan Division

EXHIBIT A

REGISTERED U.S. TRADEMARKS AND TRADEMARK APPLICATIONS

Registered U.S. Trademarks

Mark	Serial No.	Registration No.	Registered	Renewal Date
VELVET EDGE	794,748	1,593,802	May 01, 1990	May 01, 2010

Trademark Applications

Mark	Serial No.	Filed	Statement of Use Filed
USA & Design	75/523,458	July 22, 1998	April 07, 2000